

Social Exclusion in Ukraine in an Initial Stage of the Restoring Capitalism

Oksamytna, Svitlana; Khmelko, Valeriy

Veröffentlichungsversion / Published Version
Sammelwerksbeitrag / collection article

Empfohlene Zitierung / Suggested Citation:

Oksamytna, S., & Khmelko, V. (2007). Social Exclusion in Ukraine in an Initial Stage of the Restoring Capitalism. In Y. Golovakha (Ed.), *Ukrainian Sociological Review 2004-2005* (pp. 179-192). Kiev: Institute of Sociology of the National Academy of Sciences of Ukraine. <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-105939>

Nutzungsbedingungen:

Dieser Text wird unter einer Deposit-Lizenz (Keine Weiterverbreitung - keine Bearbeitung) zur Verfügung gestellt. Gewährt wird ein nicht exklusives, nicht übertragbares, persönliches und beschränktes Recht auf Nutzung dieses Dokuments. Dieses Dokument ist ausschließlich für den persönlichen, nicht-kommerziellen Gebrauch bestimmt. Auf sämtlichen Kopien dieses Dokuments müssen alle Urheberrechtshinweise und sonstigen Hinweise auf gesetzlichen Schutz beibehalten werden. Sie dürfen dieses Dokument nicht in irgendeiner Weise abändern, noch dürfen Sie dieses Dokument für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen.

Mit der Verwendung dieses Dokuments erkennen Sie die Nutzungsbedingungen an.

Terms of use:

This document is made available under Deposit Licence (No Redistribution - no modifications). We grant a non-exclusive, non-transferable, individual and limited right to using this document. This document is solely intended for your personal, non-commercial use. All of the copies of this documents must retain all copyright information and other information regarding legal protection. You are not allowed to alter this document in any way, to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public.

By using this particular document, you accept the above-stated conditions of use.

SVITLANA OKSAMYTNA,

Candidate of Sciences in Sociology, Head of the Chair of Sociology, National University of "Kyiv-Mohyla Academy"; Senior Research Fellow of the Department of Social Structures, Institute of Sociology, NAS of Ukraine

VALERIY KHMELKO,

Doctor of Sciences in Philosophy, Professor of the Chair of Sociology, National University of "Kyiv-Mohyla Academy"; President of the Kiev International Institute of Sociology

Social Exclusion in Ukraine in an Initial Stage of the Restoring Capitalism¹

Abstract

Data of 18 surveys based on the random samples representative for adult population of Ukraine (over 18 years old) being conducted by Kiev International Institute of Sociology from 1991 to 2003 by the face-to-face interview method are analyzed. The dynamics of the following five indicators of social exclusion is considered: a) belonging to a household having the income per capita less than half the median income; b) belonging to a household lacking for money to purchase daily food; c) unemployment over a long period of time (one year or more); d) lack of education; more precisely, increase in the number of adults from 18 to 30 years of age who have no completed secondary education; e) no help from associates when an individual seeks it.

For more than 12 years, Ukraine has been transforming the state socialism in some, still uncertain, modification of capitalism. In fact, the

¹ Translated by Dmytro Glomozda from the Ukrainian text "Sotsial'na ekskliuziia v Ukraini na pochatkovii stadii restavratsii kapitalizmu", *Sotsiologhiia: teoriia, metody, marketynh*, 2004, № 3, pp. 66–77.

In part, the paper was presented on the Neuchâtel Meeting (Switzerland, 7–9 May 2004) *Social Stratification, Mobility, and Exclusion* of the Research Committee on Social Stratification and Mobility (RC28), International Sociological Association.

restoration of capitalism, evolution of which was interrupted almost 90 years ago, is underway. In the transformation period, crucial social and economic changes occurred in Ukrainian society. By 1999, gross domestic product had been dropped more than twice — to 40.8% compared to the level of 1990¹. In 2000, it started to increase, but in the beginning of 2004 GDP constituted only a bit more than half to the level of 1990 — 54.2%. Within this period, the unemployment rate has risen 10 times over, while purchasing capacity of the greater part of population has lowered to a considerable extent.

In the same period, many parameters of social stratification of Ukrainian society changed. That led to a deep social polarization of the population. The involuntary downward social mobility has become typical. One of the most serious consequences of such mobility coupled with social polarization is the phenomenon called as “social exclusion” in Western social science. Analysis of changes in some indices of social exclusion in Ukraine between 1991 and 2003 is presented in this paper.

While describing negative consequences of social stratification and deepened polarization in the post-soviet societies, social scientists mainly use different criteria of poverty (like absolute, relative, or subjective poverty); sometimes deprivation rates are used [1]. However, the social exclusion practically has not been discussed in Ukrainian sociology. The special sociological research of social exclusion has not been conducted either.

In highly developed countries of Europe, the social exclusion concept was presented to study and describe situation of specific minorities of the population. But the current stage of Ukraine's development is such that according to some typical for developed countries social exclusion indices (for example, poor nutrition) more than a half of the country's population should be considered as excluded. However, taking into account geographical location of Ukraine and its European geopolitical orientation, we decided to take the first steps towards studying the social exclusion's manifestation in our country. We suppose that preliminary monitoring of the corresponding indicators can provide additional guidelines for Ukraine to advance on declared route to the Euro-integration more effectively.

It is common knowledge that social exclusion is an ambiguous concept. It emerged in the process of evolution of ideas and analytical cate-

¹

Web-site of the State Statistics Committee of Ukraine: <http://www.ukrstat.gov.ua>, Web-page: [~richna/econ_u/2002.html](http://www.ukrstat.gov.ua/~richna/econ_u/2002.html).

gories capable of describing processes that caused crisis or severance of links between individuals and society. The concept of social exclusion came into common and scientific use thanks to French politicians and social scientists, but in 1980–1990s it quickly spread to the most of European countries [2; 3]. When we use the *exclusion* notion, we stress processuality. While poverty is considered to be a certain position or a state, i.e. a nearly static phenomenon, social exclusion relates rather to the processual aspect, i.e. to the marginalization processes, causes and effects of limitation of the access to basic social institutions in society. Poverty is considered as a classic phenomenon peculiar to the industrialization period, when a considerable proportion, sometimes most of a country's population was absolutely or relatively poor. Social exclusion is a post-industrial poverty equivalent, when a minority becomes marginalized and “drops” out of the middle-class society. It is considered as a somewhat different approach to the social stratification in a society, transition from vertical to relatively horizontal differentiation, to the division of individuals into “insiders” and “outsiders”, i.e. those who are completely positioned within the society and those who are out, excluded from it, who do not have or for various reasons lose their connection with it.

So, unlike the poverty notion, the exclusion focuses attention on an individual's lack of certain rights, limited access to the institutions distributing resources, first of all, to the labor market. Western researchers proposed a list of civil rights which conceptualization and operationalization of the term “social exclusion” are based on. These rights are: to get a professional birth care; to have safe and a healthy living environment, adequate nutrition, affordable medical care, high-quality education, political activity, economically productive life, unemployment protection, worthy old age, and proper funeral [3, p. 160].

The set of empirical indicators for social exclusion used by social scientists in different countries differ markedly. The most general meaning of social exclusion, which we use here, is a lack of participation in main kinds of activities of the society [3; 4; 5]. From this point of view, the most distinctive feature of social exclusion is the lack of participation.

A participation in consumption is characterized and measured with ability to purchase foodstuff and other goods or services. Besides a subjective self-appraisal of this ability, objective indicators are usually used, such as average monthly income in comparison with average or median value for a certain region. Participation in the labor market implies economically or socially significant activity, gainful occupation,

i.e. not being unemployed, especially for a long time. Political participation is defined as an individual's ability to influence decision-making at the local or national level. An individual's involvement in the network of social relations and support is also acknowledged as a rather important. An opportunity to study crisis or lack of social relations in particular is considered as one of the advantages for using the exclusion notion.

We think that under the present-day socio-economic conditions in Ukraine lack of participation in consumption, gainful occupation (for various reasons, including a low educational level) and certain aspects of social interaction and support is the most prominent manifestation of social exclusion under a given interpretation. Thus, we consider the following five variables as empirical indicators: a) belonging to a household lacking for money to purchase daily food; b) belonging to a household having the income per capita less than half the median for a corresponding region; c) unemployment over a long period of time (one year or more); d) lack of basic education among adults from 18 to 40 years of age; e) no help from associates when an individual seeks it.

We think that in our country a shortage of necessary material resources remains the major cause of non-participation in the main kinds of activity. During the post-soviet transformation in Ukraine, the shortage of money for food was the most evident among all above-mentioned manifestations of social exclusion. According to the data provided by Kiev International Institute of Sociology (KIIS)¹, a share of individuals belonging to households, which had not enough money for purchase of daily food, increased from 29.0% in 1994 to 51.0% at the end of 1998, i.e. more than half of the population lacked for money to buy food. During 1999–2000, a share of those who lacked for money to buy food reduced to 32.0%. In 2001–2002, it remained the same. According to our data, only at the end of 2003 this category of the society's members — “excluded” from access to adequate food — decreased to about a quarter of the population — 23.5%, in the middle of 2004 it amounted to 22.2% (Figure 1). As can be seen on the graph, the proportion of those who have

¹ Here we use the data of 15 surveys carried out by KIIS from 1994 to 2004 by the face-to-face interview method based on representative samples of the adult population of Ukraine (over 18 years old): 2044 respondents in May 1994; 1947 — in April 1995; 1909 — in May 1996; 1514 — in February and 2118 — in November 1997; 1120 — in September and 2614 — in October 1998; 1704 — in February, 2104 — in July, and 1247 — in November 1999; 2009 — in January and 2217 — in December 2001; 2016 — in November 2002; 2017 — in October 2003, and 2021 — in April 2004.

been short of money for purchasing necessary footwear and/or clothes is noticeably higher.

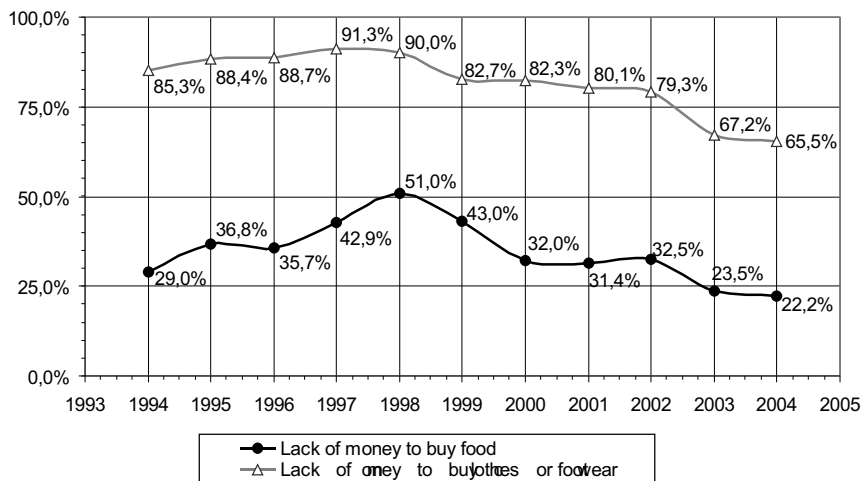


Fig. 1. Share of families lacking for money to purchase food and clothes or footwear

Statistical analysis demonstrated that the dynamics (variations over time) of the extended subjective lack of money to buy food and the dynamics of three objective indicators of the economic situation in society: (1) GDP value according to real prices, (2) share of households with income less than half the median in the whole country, and (3) index of stratification of the country's households by total income are closely connected.

As one could expect, in 1994–1998, when GDP dropped, share of households lacking for money to buy food increased, and vice versa — in 2000–2003, when GDP grew, such households were tending to decrease in number (Figure 2)¹. The Pearson correlation coefficient between share of households lacking for money to purchase food in 1994–2003 and share of GDP in the same period in comparison with its value in 1990 according to real prices is negative and amounts to -0.82 (coefficient is statistically significant at the 0.5% level).

¹

GDP indices are cited according to data of the State Statistics Committee of Ukraine [6, p. 37]; see also Web-site of the State Statistics Committee of Ukraine <http://www.ukrstat.gov.ua> for pages: /richna/econ/econ_u/2002.html and /operativ/operativ2004/vvp/ind_vvp/ind_vvp_u/indVVP_2004.htm).

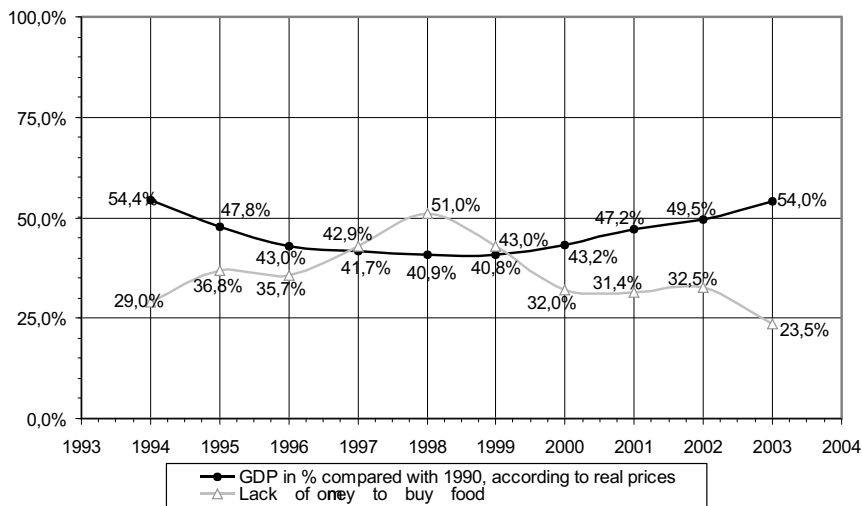


Fig. 2. Indices of GDP and share of families lacking for money to buy food

Over that period of time, the relation between the share of households lacking for money to buy food and that of households with income less than half the median household income of the whole country (Figure 3)¹ was almost the same by level but with the opposite sign (direct, not inverse). According to the KIIS data, share of households with income less than half the median was 17.7% in 1991. By 1999, it reached the maximum value over the period analyzed — 26.9%, and only then gradually decreased to 19.3% in 2003. The Pearson correlation coefficient between share of households whose income in 1994–2003 was less than half the median and share of households that lacked for money to buy food in that period equals +0.81 (coefficient is statistically significant at the 0.5% level).

In fact, the obtained data represent an interrelation between the dynamics of two indicators of social exclusion — one of those usually used by Western European researchers (income less than half the median) and one that we are inclined to consider more adequate for the present-day situation in Ukraine (lack of money to buy food) because under

¹

The graphs are based on the KIIS data. Besides above-named surveys, here we use data of three more surveys carried out by KIIS applying the face-to-face interview method based on representative samples of adult population of Ukraine (over 18 years old). There were interviewed: 1021 respondent in December 1991, 1902 — in May 1992, and 1668 — April 1993.

widespread impoverishment of the population half of the median income is already below the living wage. For example, according to the data of surveys carried out by KIIS in November 2002, the median household income was about 297 UAH (Ukrainian hryvnas) per month or 101 UAH for each person in a family; it was 3.4 times less than the official living wage at that time that amounted to 342 UAH a month [6, p. 464].

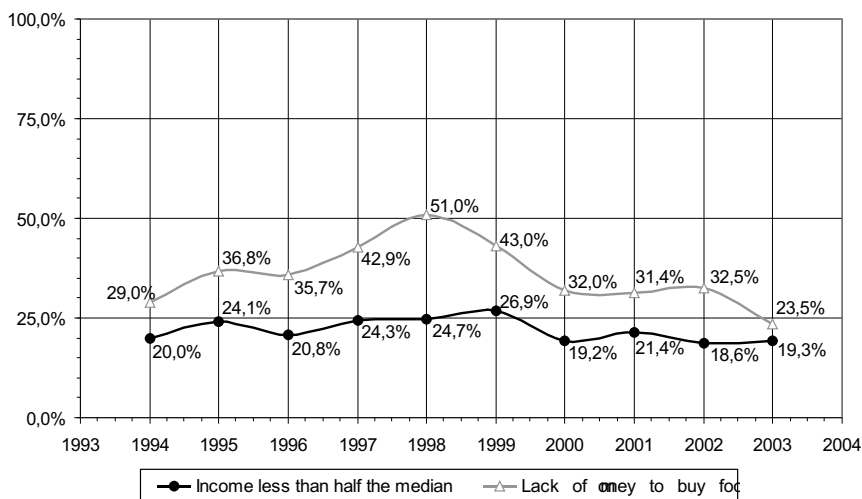


Fig. 3. Shares of families lacking for money to buy food and those with income less than half the median

If we take level of income less than half the median as a criterion of exclusion, then only the members of families whose per capita income is approximately 7 and more times less than living wage could be considered as excluded from normal social relations. We think that it would result in a substantial underestimation of social exclusion pertaining to present-day Ukraine. Even fleeting glance at the dynamics of these two indices (Figure 3), gives an idea of how many families that lacked for money to buy food outnumbered families with income less than half the median in that period — especially between 1997 and 1999. In fact, difference between these two indices had been increasing until 1998 (from 9.0% in 1994 to 26.3% in 1998), and only then gradually declined, fallen in 2003 to 4.2%.

It should be noted that changes in ratio between these two indices were mainly possible due to change in share of households that lacked for money to buy food. Such time variations of this index suggests its de-

pendence on the dynamics of uneven distribution of incomes in society in the aspect that is characterized with the stratification index of households by income — ratio between the highest and the lowest quintiles¹. Share of families lacking for money to buy food over that period of time along with stratification index of households by income are graphically displayed (Figure 4). Here the Pearson correlation coefficient between these two indices equals $+0.82$ (statistical significance at the 0.5% level).

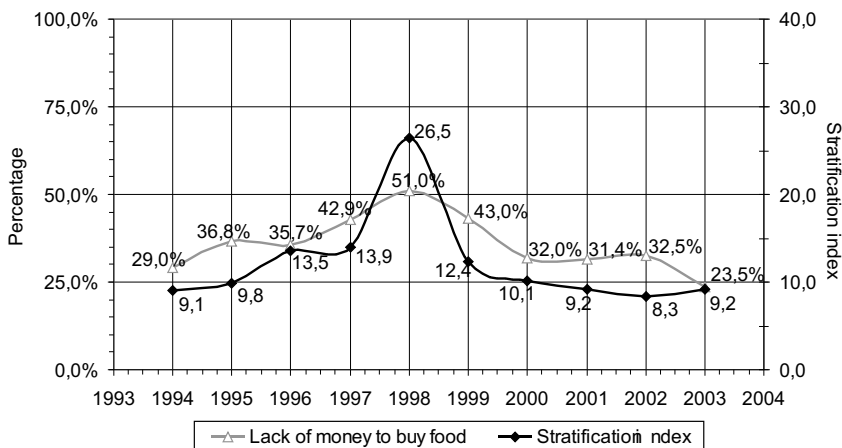


Fig. 4. Shares of households lacking for money to buy food and stratification index of households by income

Thus, in Ukraine time variation of the share of population lacking for money to buy food in macro-social perspective is not only inversely related to the dynamics of GDP value (in its dimension called real in statistics), but also directly related to changes of the heterogeneity level as to its distribution in society (if the latter concerning average expenditures is measured with share of population whose income is less than half the median, and concerning the poorest and the richest strata — with stratification index of households by income).

Two of these three factors of social exclusion, namely GDP index and share of families whose income is less than half the median, correlate with each other (Table 1). Thus, only one of them may be used in con-

¹

More detailed information on the dynamics of Ukrainian households stratification by income in the given period was provided earlier by one of the authors [7].

junction with stratification index to construct the regression model of dependence between the share of families lacking for money to buy food and the above-mentioned macro-structural parameters [8]. At the same time, share of families with income less than half the median is essentially characteristic of one of the aspects of the uneven distribution of income in society, which from another point of view is characterized with stratification index of households by income. Consequently, it is advisable to take GDP index as the second variable, along with stratification index, for the regression model.

Table 1

Correlation Coefficients between GDP Index, Stratification Index, and Share of Families with Income Less than Half the Median

Variable name	GDP index	Stratification index	Percentage of families with income less than half the median
GDP index	1	0.602	0.640*
Pearson correlation Sig. (2-tailed)	0.000	0.066	0.046
Stratification index	-0.602	1	0.518
Pearson correlation Sig. (2-tailed)	0.066	0.000	0.125
Percentage of families with income less than half the median	-0.640*	0.518	1
Pearson correlation Sig. (2-tailed)	0.046	0.125	0.000

* Correlation is significant at the 0.05 level, $N = 10$

The model of dependence between the dynamics of the percentage of families lacking for money to buy food and the dynamics of GDP and stratification indices is constructed by using regression analysis from the *SPSS 11.0 for Windows* [9]. It is characterized by multiple (collective) correlation $R = 0.92$ (coefficient of determination, $R^2 = 0.85$, adjusted 0.80) and the parameters presented in Table 2.

Table 2**Regression Coefficients***

<i>Model</i>	Unstandardized coefficients		Standardized coefficients		<i>Significance</i>
	B	Standard error	Beta	t	
(Constant)	0.632	0.157		4.040	0.005
GDP index	-0.795	0.289	-0.512	-2.755	0.028
Stratification index	8.00E-03	0.003	0.515	2.772	0.028

* Dependent variable: Share of families lacking for money to buy food

According to standardized coefficients of the constructed model, during 1994–2003 the prevalence of families “excluded” from access to adequate nutrition was almost equally determined by changes in the GDP value and changes in its distribution in Ukrainian society. Taken together, these two macro-structural parameters mainly (according to the coefficient of determination, by 80–85%) contribute to changes in the poverty level, which is a threshold of social exclusion.

It is generally known that one of the major causes of poverty is a long-term unemployment, absence of a gainful job without getting an appropriate social support. Another substantial factors are scanty salaries and pensions (in 2002, according to official statistics, the average pension and salary amounted to 122.5 and 376 UAH respectively).

If a working-age able-bodied adult is unemployed or economically inactive, there is a strong probability to fall into the socially excluded category. In Ukraine, the officially registered unemployment rate is only 3.5% of the citizens capable of working. But in fact, far more people have no job and seek it. In accordance with the corresponding calculations by the State Statistics Committee (using the International Labor Organization’s methods), 10.1% of the able-bodied citizens in Ukraine are unemployed at present.

Certainly, unemployment is far from always caused by poverty or exclusion, for instance, when one of the household members is unemployed for a short term. But if only one of the household members loses a job that was a stable source of income over a long period of time, this will entail serious consequences, especially, downward social mobility.

In 1991, among the adult able-bodied population of Ukraine only 1.2% could not find a job for a long time, i.e. more than one year. By 2003, this figure became 5 times higher and now amounts to 6.1%, according to the results of our studies and official statistical data obtained with the help of the ILO methodology (Figure 5) [6, p. 413–414]. It is obvious that a long-term unemployment substantially increases the risk of social exclusion.

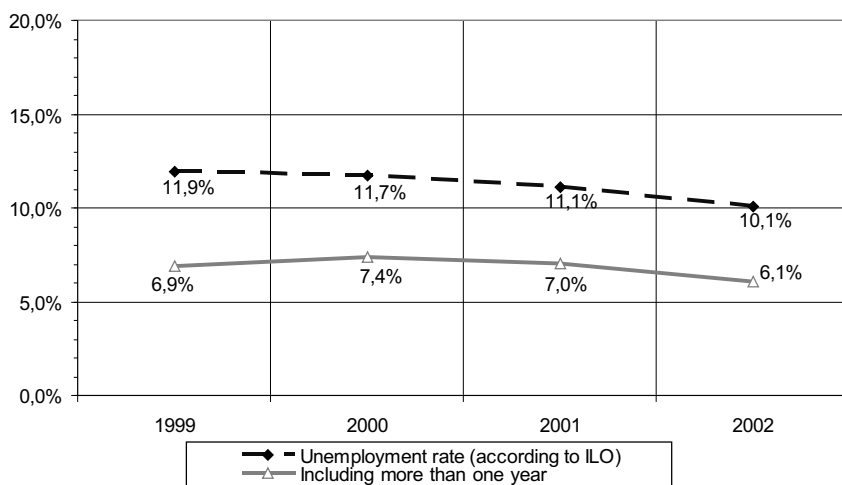


Fig. 5. The official unemployment rate in Ukraine (using the ILO methodology)

Another significant aspect of social exclusion is a severance of the vitally important social contacts, first of all absence among one's associates those who could have helped in case of need. According to the KIIS data, at the end of 1992 5.1% of the adult urban population of Ukraine answered "Never" the question: "When you encountered a difficult situation and somebody could have helped you, how often did you get help?" Ten years later the share of city-dwellers who replied "Never" to the same question increased almost twice — up to 9.8% and in a year has reached 14.2% (Figure 6). As to mutual aid among the rural population of Ukraine, their situation is even worse than among city-dwellers. In 2002, about 13% of rural population told that they had never received any assistance in case of need; in 2003, this figure increased to 20.5%. Thus, it is reasonable to think that in the same year the "interpersonal social exclusion" level among the overall adult population of Ukraine was more than 16%.

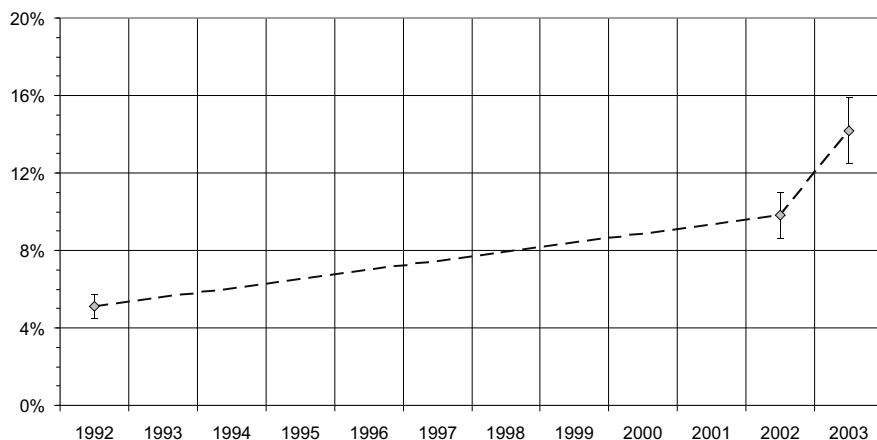


Fig. 6. Share of city-dwellers who have never received any help from their associates

Apparently, lack of compulsory education is one of the factors having especially prolonged influence on the social exclusion level. Since an individual's educational attainment affects the participation in labor market and earnings, lack of education and poor qualification principally increase the risk of unemployment.

As is well known, now compulsory schooling in Ukraine is 11 years. According to the KIIS data from 1991 to 2003, there were no considerable changes in the number of adults at the age from 18 to 40 who had no complete school education. Their proportion approximated to 8%, slightly fluctuating.

But among younger generation — at the age from 18 up to 30 — the share of persons without compulsory school education became twice as much and varied between 10% and 13% over the last three years, being higher among males than females (Figure 7). In general, there is a tendency towards increase in the number of youth having no complete school education, which we consider as a socially dangerous. Throughout the years of independence, there is a steady increase in the number of university graduates, but with a very low level of educational attainment simultaneously. Most probably, lack of education will create severe obstacles for such people in the future, because they will hardly find a job and so will not be able to participate in conventional kinds of activity together with other citizens.

Apparently, it will be more and more difficult for people with a low educational level to find a job in the future and they will not be able to

participate in kinds of activity common among other citizens. So, if the tendency towards increase in the number of people lacking for basic education does not change oppositely (that has not been stated with a sufficient statistical significance yet), Ukraine will face the unfavorable prospects as a country with high degree of poverty and social exclusion.

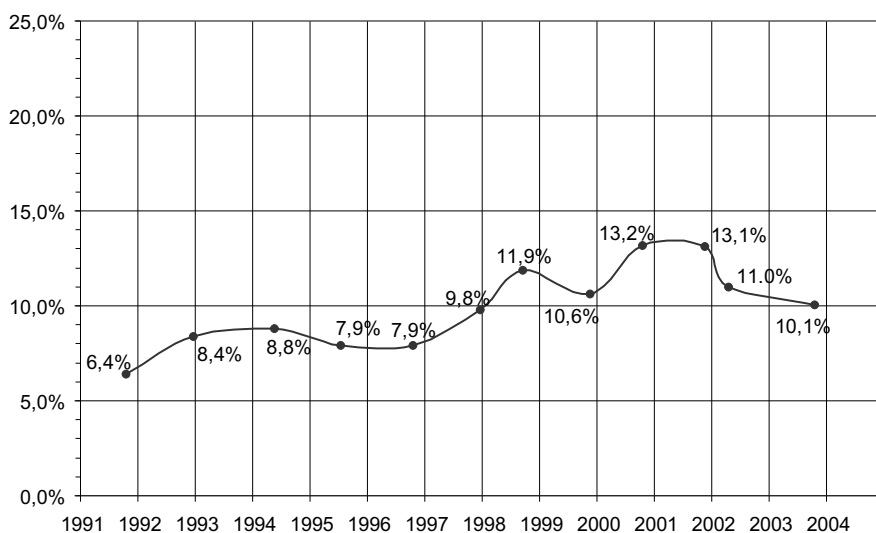


Fig. 7. Share of youth at the age of 18–29 years having no compulsory education

Finally, we would like to note that we consider the presented analysis to be no more than the first step towards study of social exclusion in Ukraine. At the same time, it allows drawing the following conclusions:

1. The dynamics of material factors of social exclusion demonstrates that after the situation in Ukraine had considerably worsened within the first eight years of state independence, for the last three years (since 2000), there was a certain improvement when material factors of social exclusion in Ukraine have not been prevailing to such an extent.
2. The dynamics of the examined societal factors of social exclusion, which characterize the macro-social conditions necessary to acquire compulsory education and to have a gainful job, is not unidirectional. Positive tendencies in both aspects are still unstable.
3. As regards the interpersonal social exclusion, its dynamics during the last years is unfavorable. Increasingly more people feel for-

saken in a difficult situation, because they do not receive any assistance from those who could have helped. It could be assumed that this phenomenon is a manifestation of interpersonal alienation along with the expansion of selfish individualism caused by the very nature of the primary capital accumulation in our society.

References

1. *Kharchenko N.* Porivniannia metodolohichnykh pidkhodiv do vymiruvannia rivnia bidnosti // *Sotsiologhiia: teoriia, metody, marketynh.* — 2000. — № 3. — S. 86–99.
2. *Pogam S.* Iskliucheniie: sotsialnaia instrumentalizatsiia i rezul'taty issledovaniia // *Zhurnal sotsiologii i sotsialnoi antropologii.* — 1999. — Vol.2. — P. 140–155.
3. *Abrahamson P.* Sotsial'naia ekskluiziia i bednost' // *Obschestvennyie nauki i sovremennost'.* — 2001. — № 2. — S. 158–168.
4. *Burchardt T., Le Grand J., Piachaud D.* Degrees of Exclusion: Developing a Dynamic, Multidimensional Measure // *Understanding Social Exclusion.* — L., 2002. — P. 30–43.
5. *Tikhonova N. Ye.* Fenomen gorodskoi bednosti v sovremennoi Rossii. — M., 2003.
6. Annual Statistics Report of Ukraine, 2002. — K., 2003.
7. *Khmelko V.* Makrosotsial'ni zminy v ukrains'komu suspil'stvi za roky nezalezhnosti // *Sotsiologhiia: teoriia, metody, marketynh.* — 2003. — № 1. — S. 14–17.
8. Statisticheskie metody analiza informatsii v sotsiologicheskikh issledovaniakh. — M., 1979. — S. 165–166.
9. SPSS Base 11.0 User's Guide. — Chicago, 2001. — P. 328–336.